



**July 16, 2019**

**Item No. 5**

**AUTHORIZATION TO LOAN CHICAGO HOUSING AUTHORITY FUNDS NOT TO EXCEED \$14,000,000 FOR THE REDEVELOPMENT OF THE SITE AT 2640-2720 NORTH SHEFFIELD AND PERFORM SUCH ACTIONS AS MAY BE NECESSARY OR APPROPRIATE TO IMPLEMENT THE FOREGOING.**

Address: 2640, 2700 and 2720 North Sheffield Avenue  
Alderman: Michele Smith Ward: 43

Presenter: Ann McKenzie, Chief Development Officer

**Recommendation**

It is recommended that the Board of Commissioners (BOC) of the Chicago Housing Authority (CHA) authorize the Chief Executive Officer (CEO) or his designee to: 1) form of a limited liability company to act as part of the ownership of the property; 2) Loan CHA funds not to exceed \$14,000,000 for the property at 2640 – 2720 North Sheffield (the “Sheffield Development”); 3) Submit a Rental Assistance Demonstration (RAD) Project-Based Voucher (PBV) Financing Plan to the United States Department of Housing and Urban Development (HUD) and enter into a RAD Conversion Commitment for the Sheffield Development; 4) Execute a RAD PBV Housing Assistance Payment (HAP) Contract for up to 405 units and execute such other documents as may be required for the financing and operation of the Sheffield Development; 5) Transfer Property and finance the sale through seller financing to the proposed legal entity, which will own the property; 6) To the extent applicable, loan funds from the Federal Home Loan Bank or ComEd to the Sheffield Development; 7) Enter into an Agreement for Housing Assistance Payments (AHAP) and HAP Contract for up to 50 units; and 8) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

The requested action complies in all material respects with all applicable federal, state and local laws, and CHA Board policies. Staff have completed all necessary due diligence to support the submission of this initiative.

**Funding**

Not-to-Exceed \$14,000,000 CHA Funds.

**Compliance**

Subject to compliance with M/W/DBE & Section 3 Participation.

## **North Sheffield Development**



### **Background**

The Sheffield Development will include the Edith Spurlock Sampson Apartments and Annex, located in the Lincoln Park Community. The project entails the redevelopment of the existing Senior Towers, and the new construction of a 6-story bridge residential apartment building with two floors of amenity spaces in between the two towers.

The redevelopment will include new amenity spaces for seniors consisting of a large dining/community room, exterior courtyard, living room and reception areas, meeting room, computer room, second floor laundry rooms, outdoor porch, coffee lounge and game room, and an exercise room. The development will also include 50 surface parking spaces, of which 8 parking spaces will be accessible.

The site is within walking distance of CTA Bus routes and is a block away from the CTA Brown Line station at Diversey. A full-service grocery store, pharmacy, restaurants and many other amenities are within walking distance from the site. Agassiz Elementary School and Lincoln Park High School are within a half mile of the property.

### **Owner/Developer**

The CHA, through a Joint Venture Partnership with PIRHL, will co-develop the Sheffield Development. In November 2017, the CHA Board approved the selection of PIHRL as CHA's joint venture partner for the redevelopment of Edith Spurlock Sampson Apartments and Annex (Spurlock Sampson) located at 2640-2720 North Sheffield. The resolution number is 2017-CHA-121.

**CHA Financing**

The not-to-exceed total CHA funding of \$14,000,000 will provide funds for CHA's RAD/PBV units in addition to the already approved predevelopment loan funds of \$2,129,775 that were approved by the CHA Board on March 20, 2018, resolution number 2018-CHA-17. The development budget is subject to HUD RAD rents, CHA PBV, an Illinois Housing Development Authority soft loan, and the construction contract.

Respectfully Submitted:

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Ann McKenzie  
Chief Development Officer

## **RESOLUTION NO. 2019-CHA-**

**WHEREAS,** The Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated July 16, 2019 entitled "Authorization to loan Chicago Housing Authority funds not to exceed \$14,000,000 for the redevelopment of the site at 2640-2720 North Sheffield and perform such actions as may be necessary or appropriate to implement the foregoing.

**THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:**

**THAT,** the Chief Executive or his designee is authorized to: 1) Form a limited liability company to act as part of the ownership of the property; 2) Loan CHA funds not to exceed \$14,000,000 for the property at 2640 – 2720 North Sheffield (the "Sheffield Development"); 3) Submit a Rental Assistance Demonstration (RAD) Project-Based Voucher (PBV) Financing Plan to the United States Department of Housing and Urban Development (HUD) and enter into a RAD Conversion Commitment for the Sheffield Development; 4) Execute a RAD PBV Housing Assistance Payment (HAP) Contract for up to 405 units and execute such other documents as may be required for the financing and operation of the Sheffield Development; 5) Transfer Property and finance the sale through seller financing to the proposed legal entity, which will own the property; 6) To the extent applicable, loan funds from the Federal Home Loan Bank or ComEd to the Sheffield Development; 7) Enter into an Agreement for Housing Assistance Payments (AHAP) and HAP Contract for up to 50 units; and 8) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE/ Section 3 hiring and insurance requirements.

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Eugene E. Jones, Jr.  
Chief Executive Officer  
Chicago Housing Authority